

LOCAL IMPACT FUNDS

27th WARD + WEST LOOP DOWNTOWN AREA

September 22, 2021



Agenda

- 1 Welcome**
- 2 Background: Downtown Zoning and Bonus**
- 3 West Loop Local Impact Funds**
- 4 General Planning-Related Updates**
- 5 Next Steps and Q+A**

Virtual Meeting Format

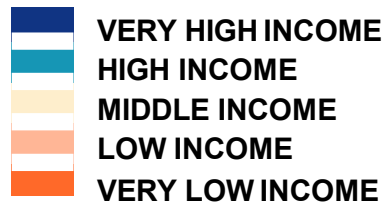
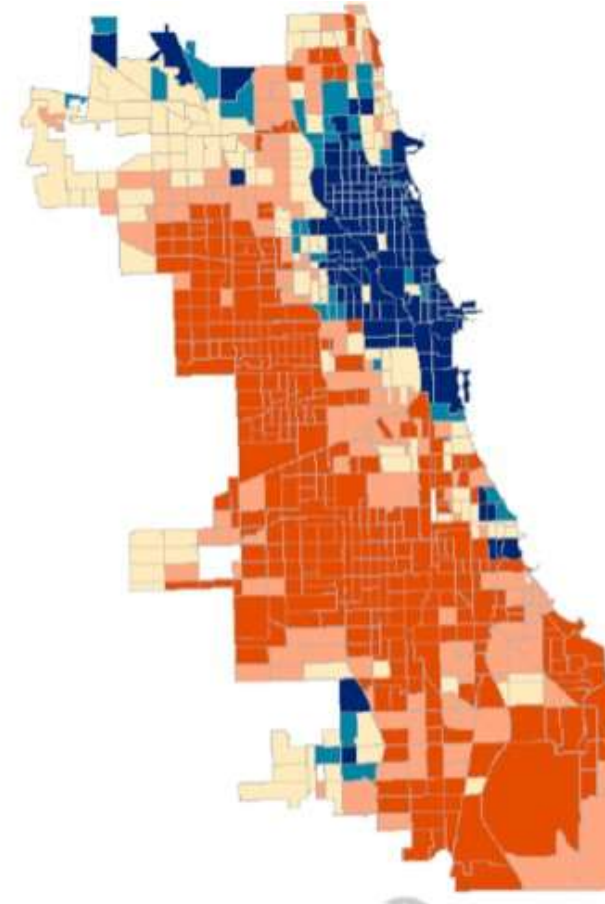
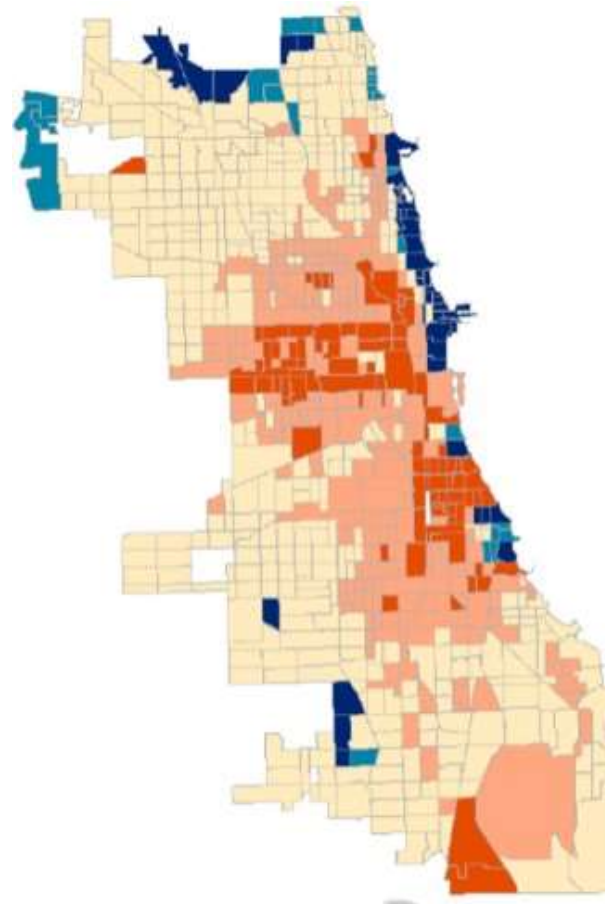


1. This is a Zoom webinar format and this meeting is being recorded.
2. The recording will be available on DPD's webpage: **www.Chicago.gov/westloop**
3. Please use the **Zoom Q&A function** for any questions during the webinar.
4. All questions and ideas are valid.
5. Questions may be responded to either in writing or verbally during this meeting.

EQUITY IN INVESTMENT

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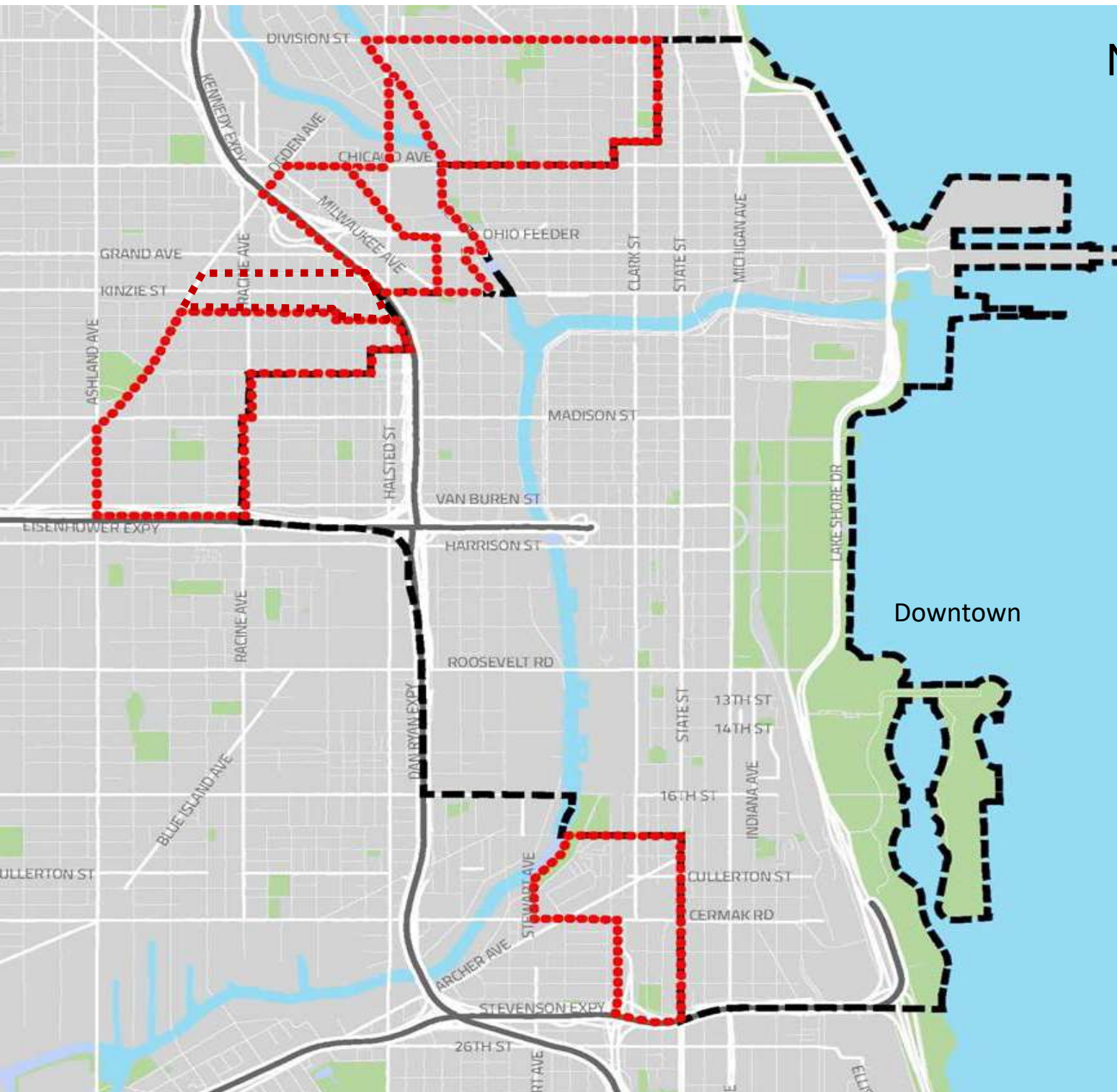
2017

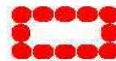
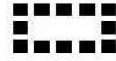





Neighborhood Opportunity Bonus *Downtown Zoning District*

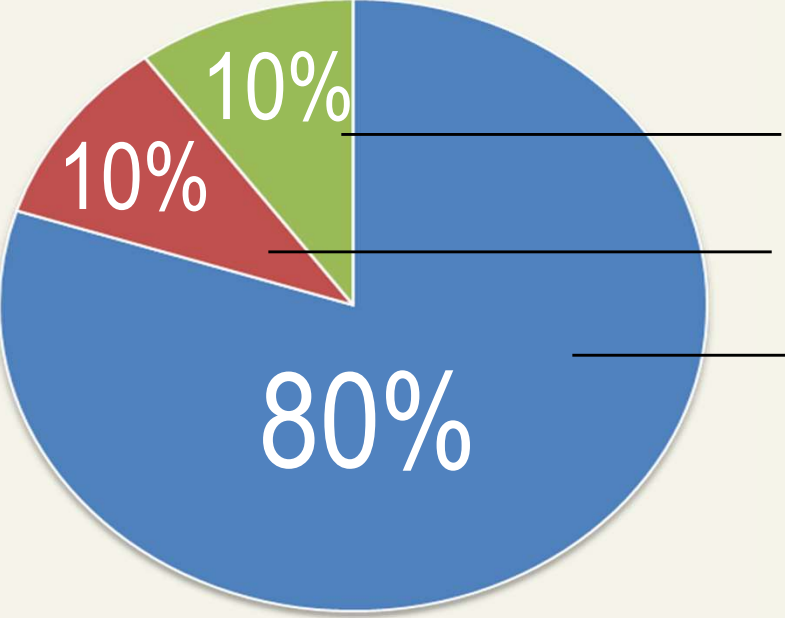
2016 expansion of downtown
zoning district geography by 22%.

2017 Kinzie corridor (east of
Ogden) zoning designation
change from PMD to downtown.



-  New Expansion Areas
-  Existing District Boundary
-  Expressways
-  Parks and Open Space
-  Water

Downtown Bonus System - Funding Allocations

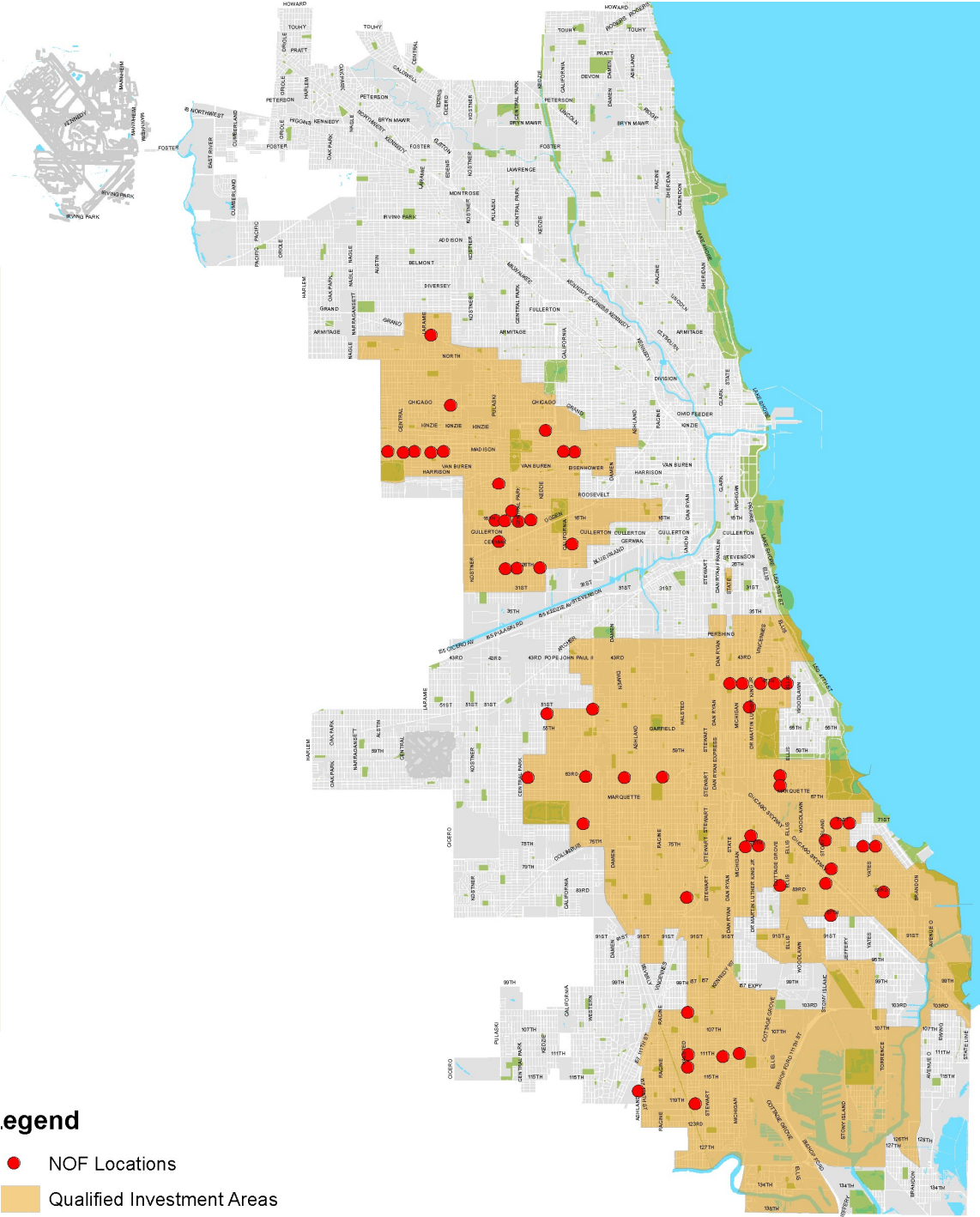


Local Impact Funds

City-wide Landmarks

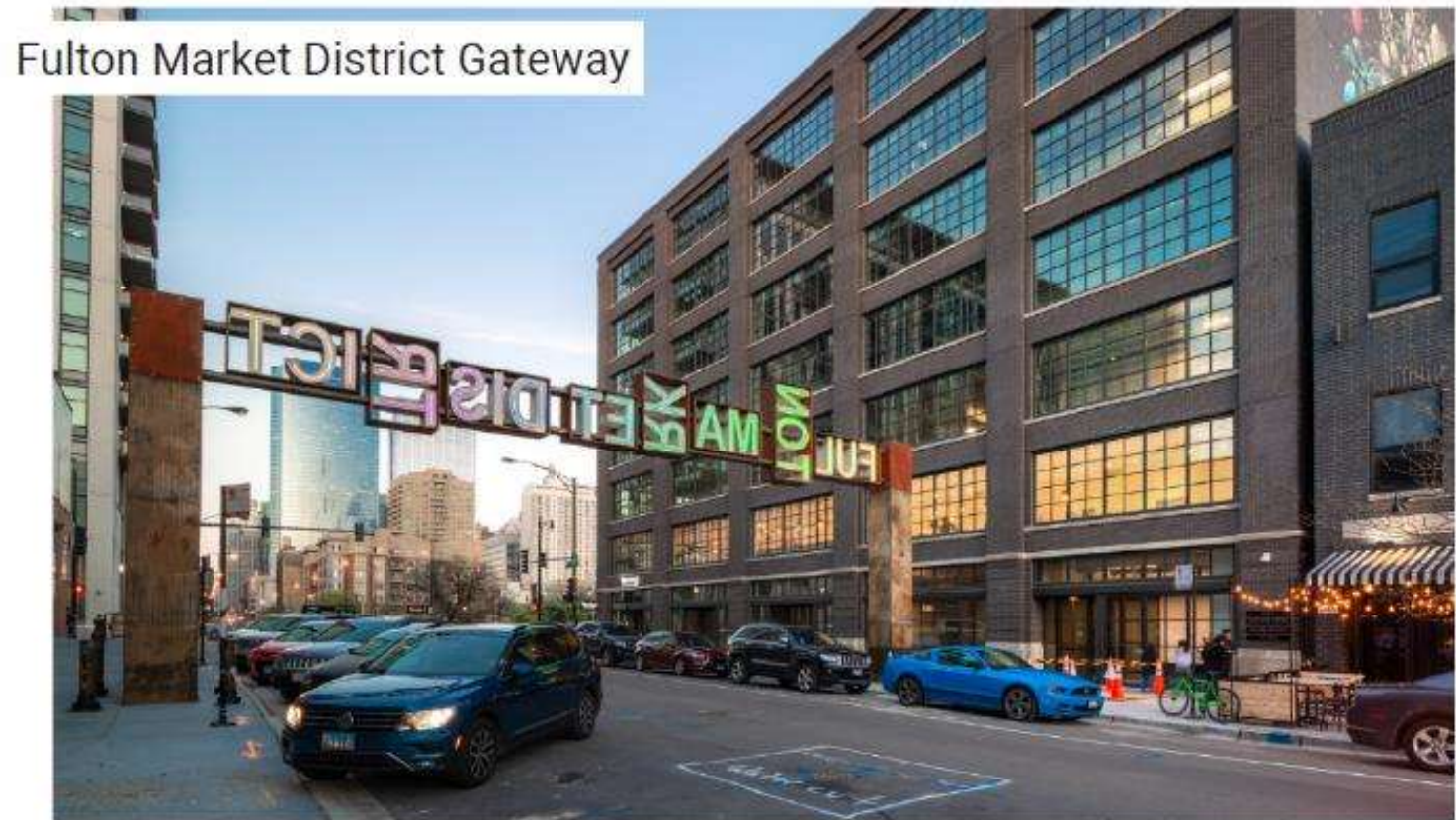
Neighborhood Commercial Corridors

www.Chicago.gov/NOF



★ Planned Developments Since 2014 in FMID

- **52** planned development projects valued at **\$15.2 billion in total project costs**
- At full buildout, more than **30,191 construction jobs and 64,685 permanent jobs.**
- The projects approved to date are also obligated to contribute **\$113 million in Neighborhood Opportunity Bonus (NOB) funds** to the City.
- As of September 1st, **\$47 million in NOB funds** have been collected from projects within the 27th Ward.



27th Ward Local Impact Fund Status

Since the inception of the NOF Bonus system a total of \$4.7 M LIF revenues have been collected in the 27th ward.

- \$1.4M LIF revenues used for the construction of the West Loop Library
- \$554,314 LIF revenues are committed to Skinner Park Field House (\$2M in TIF for field house design).
- \$243,165 LIF was committed to Milwaukee/Erie Open Space north of the West Loop area
- \$291,361 LIF was assigned to Lake Street lighting - CDOT will install new Lake Street lighting as part of Lake Street reconstruction project in 2021-2022.

As of September 1st, 2021, there are **\$2.48 M LIF available in the 27th Ward for the West Loop Downtown Area.**



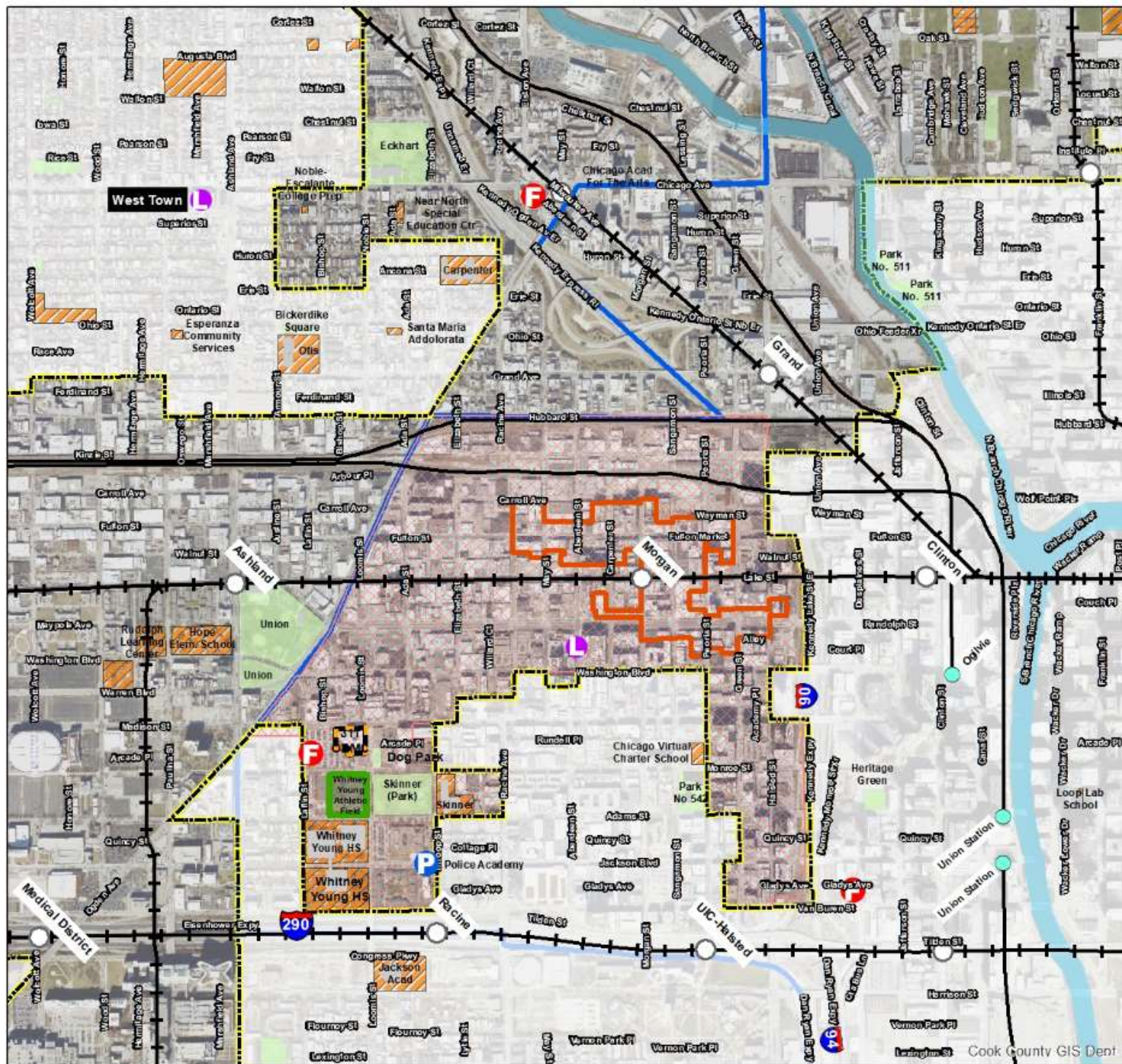
Local Impact Funds

Per Section 10-7-1003, 10% of all Neighborhoods Opportunity Bonus (NOB) fund contributions are to support local improvements. Per Section 17-4-1005-C, if the Planned Development ordinance does not identify specific improvements, then DPD in consultation with the alderman of the ward in which the planned development site is located, may allocate such funds to eligible improvements anywhere in the downtown area.

As of September 1, 2021, there are \$2.48 M LIF funds available with no project commitments assigned to them for the West Loop Downtown Area within the 27th Ward.

Eligible Projects:

- Park and green space improvements
- Pedestrian, streetscape, and infrastructure improvements
- Bicycle network
- Bury utilities underground
- Transit infrastructure improvements
- Restoration of landmark buildings
- Improvements for public buildings and facilities



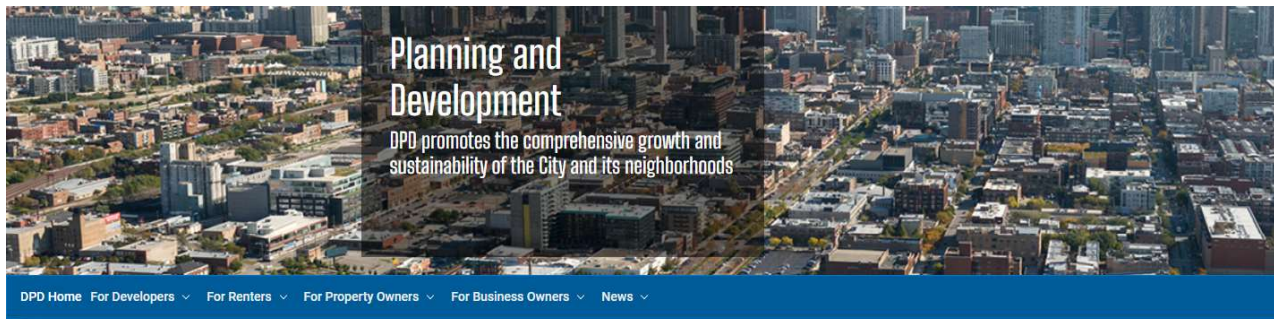
West Loop - LIF Area - 27th Ward

Legend

-  Downtown Zoning Boundary
-  27th Ward West Loop LIF Area
-  CPS
-  Ward 27
-  Fulton Randolph Market Landmark Dist
-  311 OEMC
-  Whitney Young Athletic Field
-  Parks
-  Police Facility
-  Fire House
-  Library
-  CTA Line & Stations
-  Metra Line & Stations



Please complete the survey, open till midnight October 10th
www.chicago.gov/westloop



[Home](#) / [Departments](#) / [Planning and Development](#) / [Supporting Info](#) / [West Loop Resource Guide](#)

West Loop Resource Guide

Updated May 27, 2021

To better guide the development of the West Loop, the Department of Planning and Development (DPD) has gathered maps, plans, ongoing initiatives, and other resources in one place for easier access by West Loop stakeholders.

These documents will be used when DPD reviews proposed projects. While assembling proposals, West Loop development teams should utilize these resources to the fullest extent possible and reference and cite the relevant portions in all their materials.

New Affordability Goals in the FMID

The City of Chicago is seeking to create more mixed-income development in the West Loop by providing more affordable housing options in the [Fulton Market Innovation District \(FMID\)](#), as recommended in the [FMID Plan Update](#) adopted by the Chicago Plan Commission in February 2021.

The plan updates calls for new development to try and exceed the City's typical affordable housing requirements, which range from 10 to 20 percent affordable units for new residential developments. For the area north of Lake Street, within the FMID, the City will work with developers to achieve 30 percent affordability. Given current market conditions, the City expects the higher percentage will require public assistance. More information on this and other recent reforms to the Affordable Requirements Ordinance (ARO) can be found on the [Department of Housing's website](#).

West Loop Local Impact Funds Survey

The Department of Planning and Development (DPD), in coordination with Alderman Burnett, the West Loop Community Organization, West Central Association, and the Neighbors of the West Loop, want to gather your feedback on priorities for how to spend the available \$2.48 Million in Local Impact Funds which have not been specifically assigned by their associated Planned Development project located in the West Loop and 27th Ward downtown zoning area.

Local Impact Funds (LIF): Per Section 10-7-1003, 10% of all Neighborhoods Opportunity Bonus (NOB) fund contributions are to support local improvements. Per Section 17-4-1005-C, if the Planned Development ordinance does not identify specific improvements, then DPD in consultation with the alderman of the ward in which the planned development site is located, may allocate such funds to eligible improvements anywhere in the downtown area.

More information about the NOB is available [online](#), as well as for the [80% Neighborhood Opportunity Fund](#) and the [10% Citywide Adopt-A-Landmark Fund](#).

OK

27th Ward - LIF Assignment

Decision-Making Process:

1. Discuss LIF assignment process with leadership from NOWL, WCA, WLCO
2. Co-host a virtual community meeting with Alderman Burnett to get feedback on options and priorities
3. Survey the community to get feedback on options and priorities
4. Review survey and community meeting results with Alderman Burnett and leadership from NOWL, WCA, WLCO
5. Decide on priorities and implement (typically requires procuring a consultant for design work and coordination with impacted agencies)

★ February 2021 FMID Plan Update

Goal 1: Promote Mixed-Use and Mixed-Income Developments.

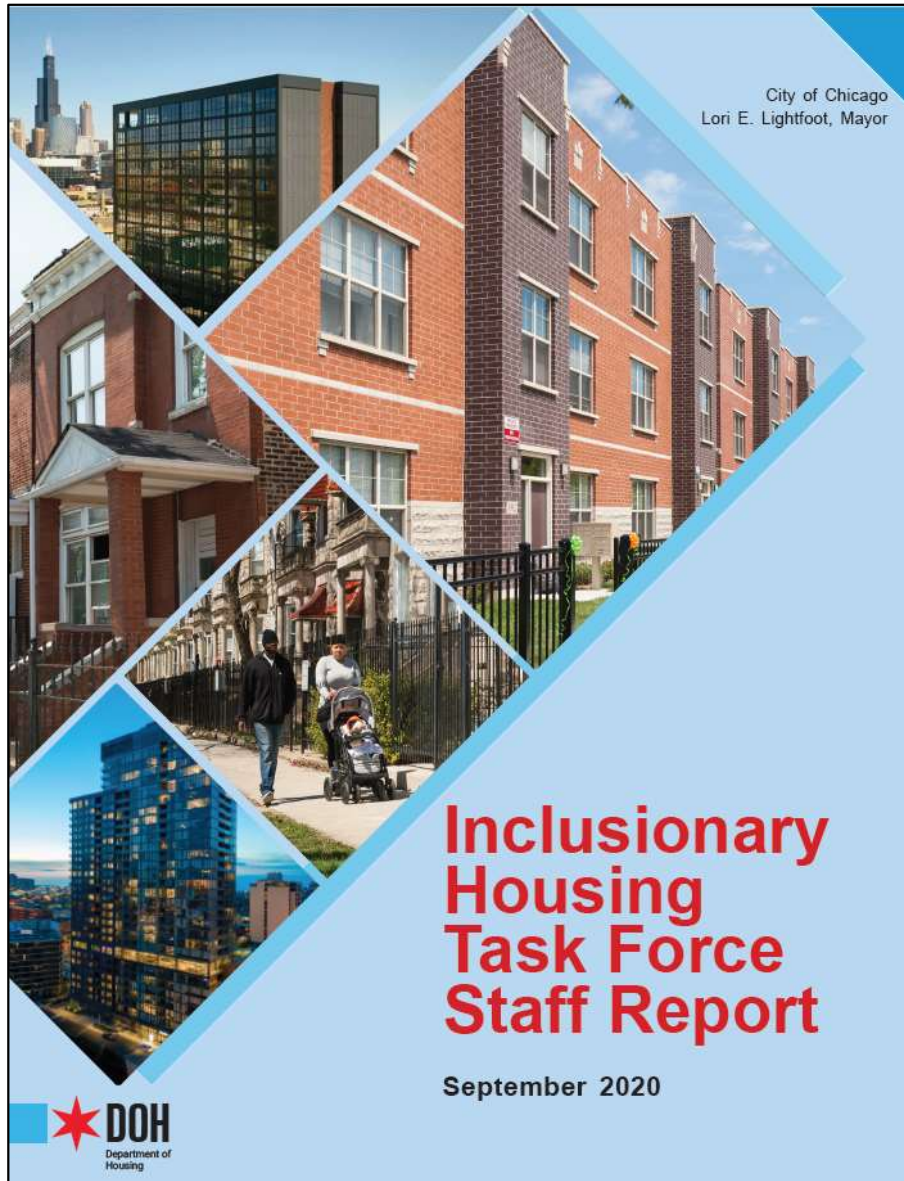
Provide more affordable housing options and create pedestrian-friendly streets and sustainable open spaces consistent with design excellence and urban design best practices.

Goal 2: Improve Access for all Transportation Modes. Promote alternative modes of transportation and improve traffic circulation with infrastructure and transit improvements using both private and public resources.

Goal 3: Protect and Enhance Historical and Cultural Assets.

Continue to support the Fulton Randolph Market Landmark District and other historic assets, and encourage events and public art as part of private and public development.





Strategy 1.2: Affordable Housing Ordinance Update

Based on recommendations from the Inclusionary Housing Task Force Report, DOH passed a new citywide ARO, effective starting October 2021, requiring new downtown residential planned developments to include 20% affordable units.

Strategy 1.3: Provide City-Assisted Affordability

Above and beyond the requirements of 2021ARO, the City is also committed to provide a menu of options for support and incentives needed to bring more affordable dwelling units in the FMID area to create a mixed-income community that exceeds ARO, with a target **goal of 30% affordable units within FMID area.**

ARO + 30% Affordability:

- For north of Lake Street within FMID, DOH is providing 4% LIHTC to assist with the financing of the 30% affordable housing units, including the first 20% required by ARO.
- Subject to availability, DOH could subsidize 10% of a project's affordability through the use of HOME, AHOF, and CDBG dollars
- Partnership with non-profit and affordable housing developers is encouraged.
- Developers can also apply for CHA housing vouchers.
- Contact ARO@cityofchicago.org for more information on this incentive.



The City of Chicago will create mixed-use and mixed-income development by providing more affordable housing options in the Fulton Market Innovation District. To reach this goal, the City is providing affordable housing options to support the creation of a mixed use and mixed-income community that exceeds the goals of the ARO alone. The current Near North ARO Pilot Area has a 20% affordability requirement, which will continue after October 1, 2021 when the new ARO goes into effect. For the FMID area north of Lake Street, the City will work with developers to achieve a 30% affordability. Given current market conditions, the City expects the higher percentage will require public assistance.



https://www.chicago.gov/content/dam/city/depts/dcd/kinzie/fmid_update_final.pdf

PUBLIC FINANCIAL ASSISTANCE PROGRAMS:

4% LIHTC and Tax-Exempt Bonds

- » 4% LIHTC provides a tax credit that can be sold as equity to finance the affordable housing units
- » 4% LIHTC is valued at 4% of the affordable basis, multiplied times 10, representing 1/3 of the affordable cost
- » Tax Exempt Bonds provide a source of predictable financing. At least 51% of the affordable costs must be financed with Tax Exempt Bonds to generate the LIHTC.

4% LIHTC AND TAX-EXEMPT BONDS AVAILABLE AS A RESOURCE FOR ARO+ PARTICIPATION

- » 4% LIHTC can be applied against all affordable housing units - including the first 20% required by ARO
- » Onsite, offsite in a standalone, and/or combined with other ARO obligations
- » Partnership with nonprofit and affordable housing developers is encouraged
- » City will not subsidize baseline ARO obligations with financial resources, such as LIHTC, unless 30% affordability is agreed upon.

Illinois Affordable Omnibus HB2621 Passed May 2021

- Three tiers of property tax incentives for new construction and rehabbed residential buildings with seven or more units that set aside between 15%-35% of their units as affordable.
- Example for downtown residential project with a minimum of 7 units at 35% Affordable Tier at 60% AMI = tax incentive of 35% of assessed value for 10 years with two renewable 10-year periods, for a total of 30 years.

The Illinois Affordable Housing Omnibus of 2021 and Chicago

In May 2021, the Illinois General Assembly passed HB2621, which included a number of provisions on affordable housing.

Among other provisions, this bill creates three tiers of property tax incentives for new construction and rehabbed residential buildings with seven or more units that set aside between 15% and 35% of their units as affordable.

PROPERTY TAX INCENTIVES FOR AFFORDABLE HOUSING

The property tax incentives created by HB2621 represent a significant investment in affordable housing that can be used in a wide variety of circumstances, from subsidized to unsubsidized, new construction and rehab, and high-cost markets to lower-cost markets.

The table on the back summarizes these differences.



INCENTIVES AND THE AFFORDABLE REQUIREMENTS ORDINANCE

The Affordable Requirements Ordinance (ARO) requires certain multifamily new construction and rehab projects to set aside a portion of their units as affordable. Exactly how much, and at what levels of affordability, depends on where the project is and whether it falls under the 2015 ARO, an ARO Pilot, or the 2021 ARO. More information on this is available at Chicago.gov/ARO.

Developers whose projects trigger the ARO and who also wish to secure incentives under HB2621 must meet all of the requirements for both the ARO and the incentive tier they select.

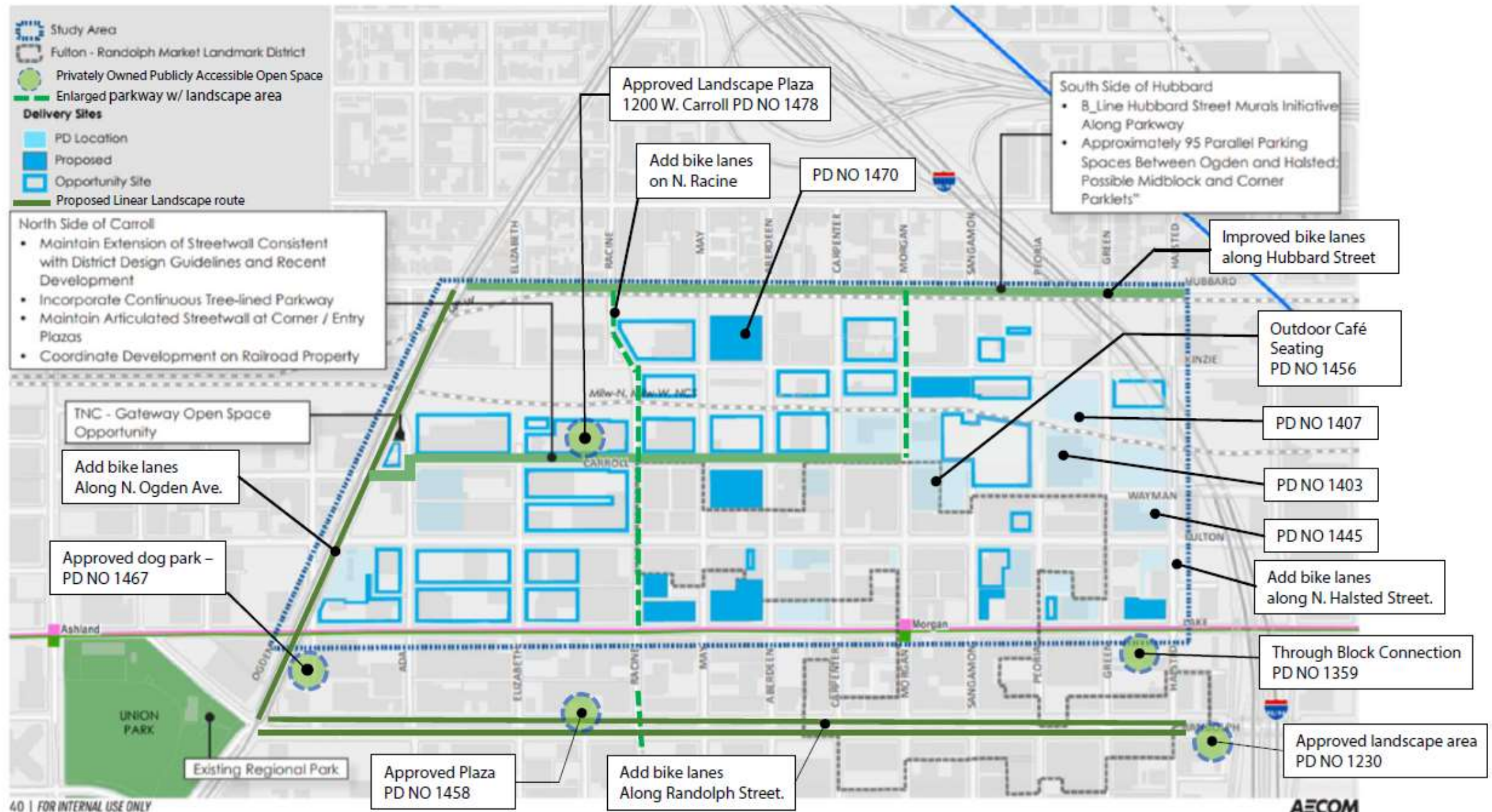
Many ARO-subject projects will be able to take advantage of the new incentives. Consider the two examples below.

Example 1: Non-Downtown Project Subject to 2021 ARO

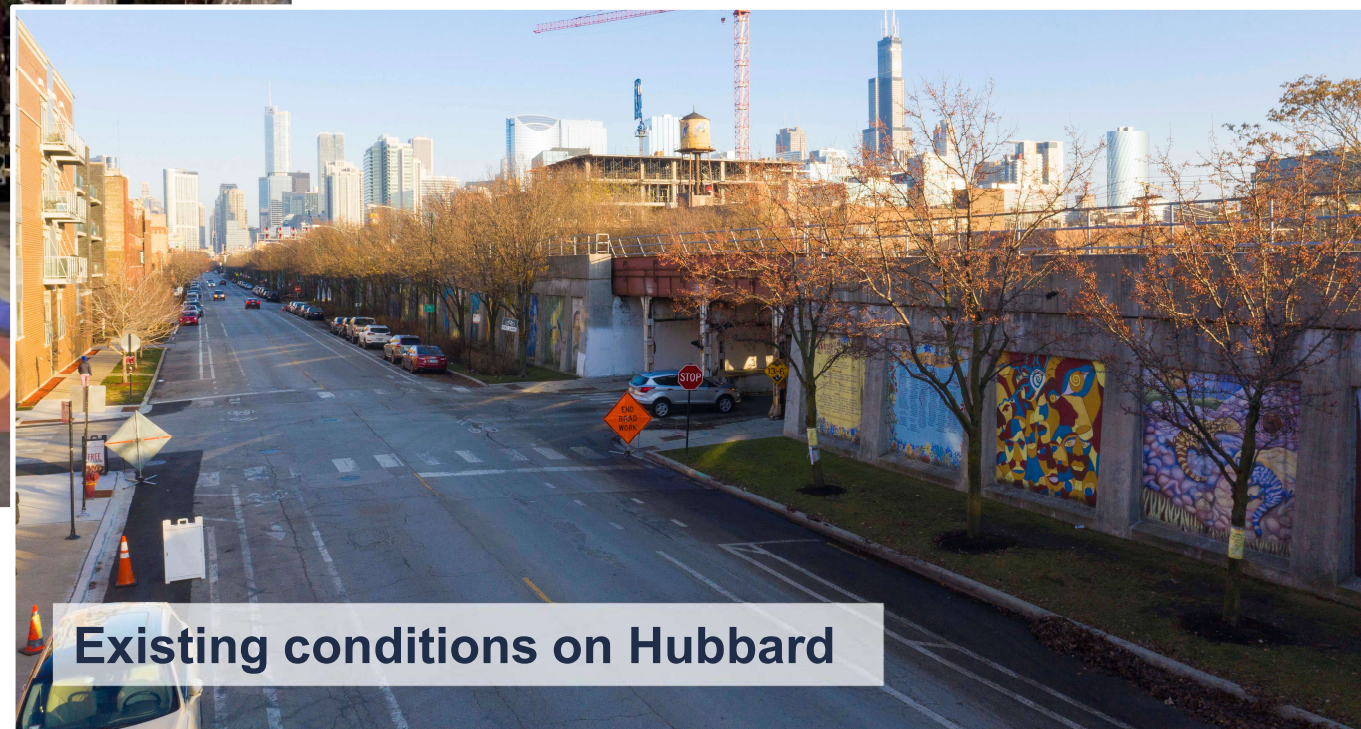
Under the 2021 ARO, developers can choose to set aside between 10% and 20% of their units on-site as affordable at between 30% and 60% average AMIs.

Outside of downtown, a developer could choose to satisfy the ARO and receive a property tax incentive at the 15% tier by making at least 15% of their on-site units affordable, and paying an in-lieu fee for the remainder of affordable units required under the ARO.

PROJECT RECOMMENDATIONS OPEN SPACE OPPORTUNITIES



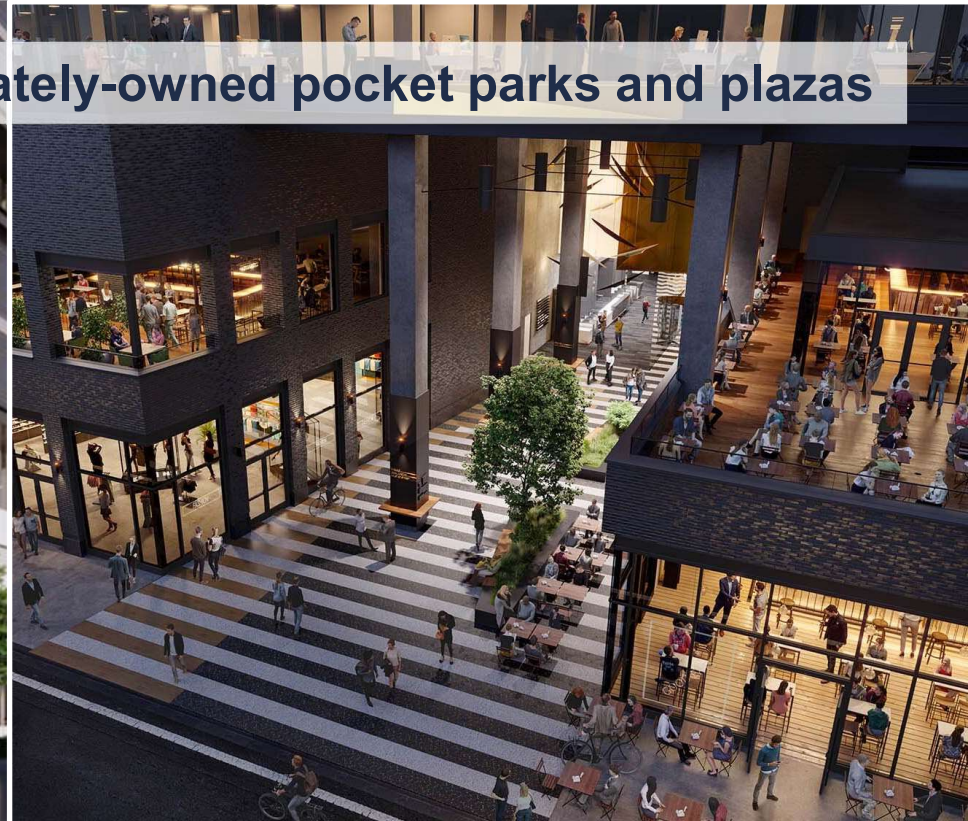
\$20.3M flexible Fulton Market Streetscape completed



Existing conditions on Hubbard



Existing and approved privately-owned pocket parks and plazas



2019-2020 Kinzie Infrastructure Study

23 blocks of missing sidewalks

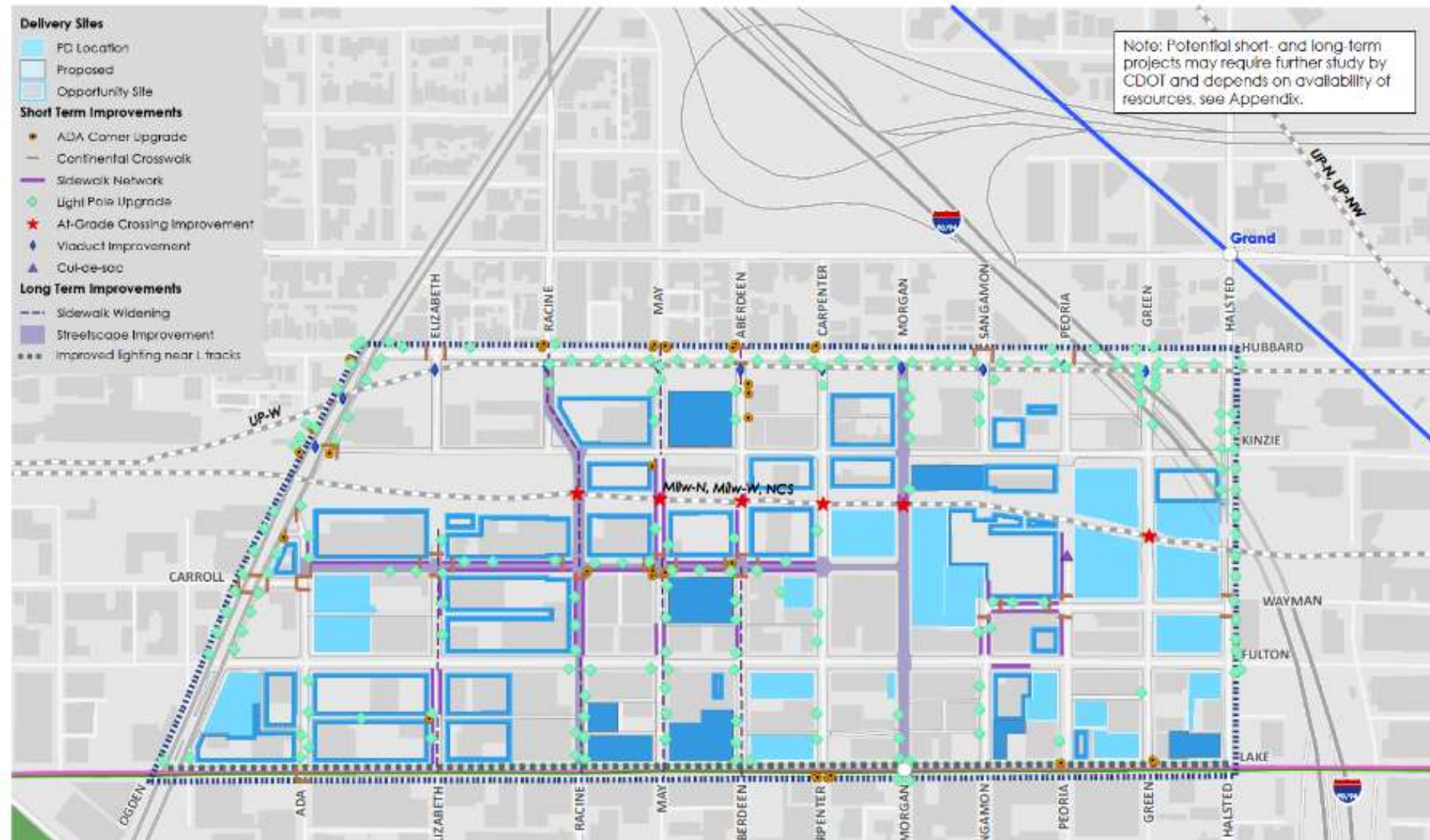
43 crosswalk upgrades

33 ADA corner upgrades

182 light pole upgrades

6 Metra crossing improvements

Areas most prone to 5-year flooding events:
western part of Carroll and Lake Streets



Infrastructure Study Priorities

Short term priorities include:

- at-grade Metra crossing improvements
- install missing sidewalks, crosswalks, and ADA corners
- replace/upgrade light poles
- add Divvy/bicycle stations

Longer-term priorities include and may require additional study by CDOT:

- bury utilities
- viaduct improvements
- select new bike lanes
- select street network and section improvements



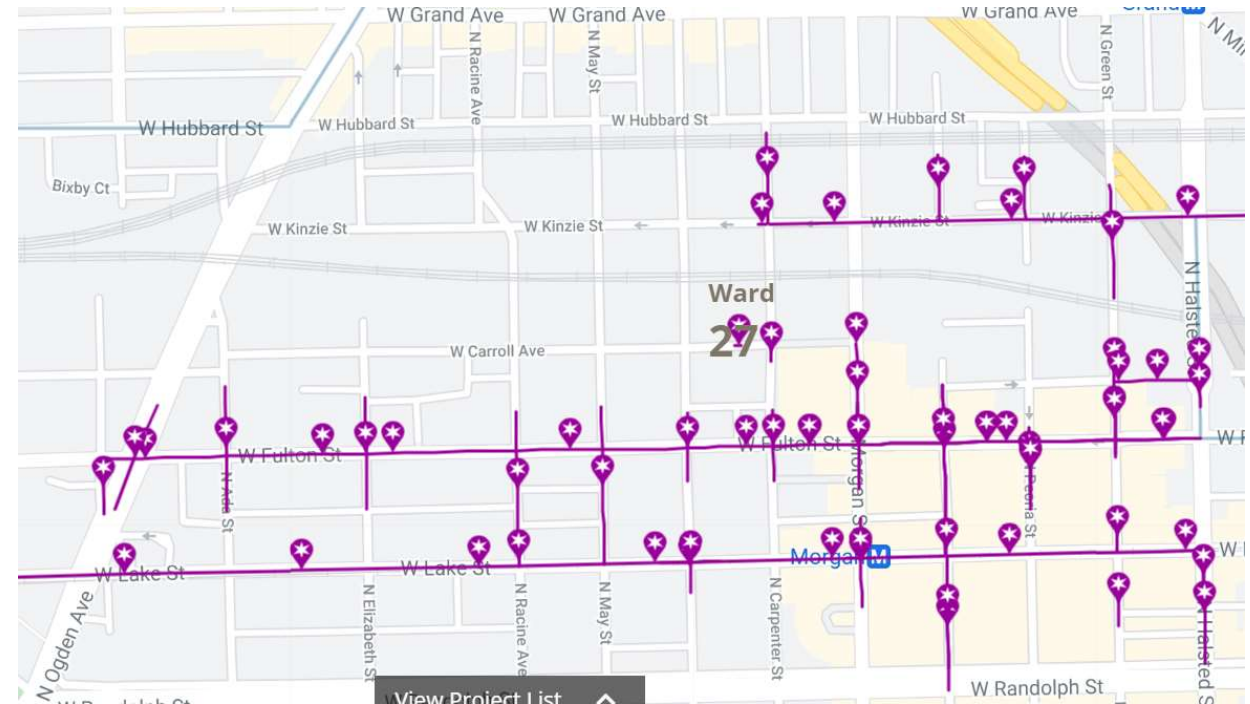
★ Infrastructure-Related Projects

- Completed Fulton Market streetscape
- Phase 1 engineering for Metra track crossing improvements
- Lake Street improvements
- Randolph Street corridor improvement study
- Feasibility study for a new Metra Infill Station and Metra's A2 track realignment study
- Fulton Market traffic study



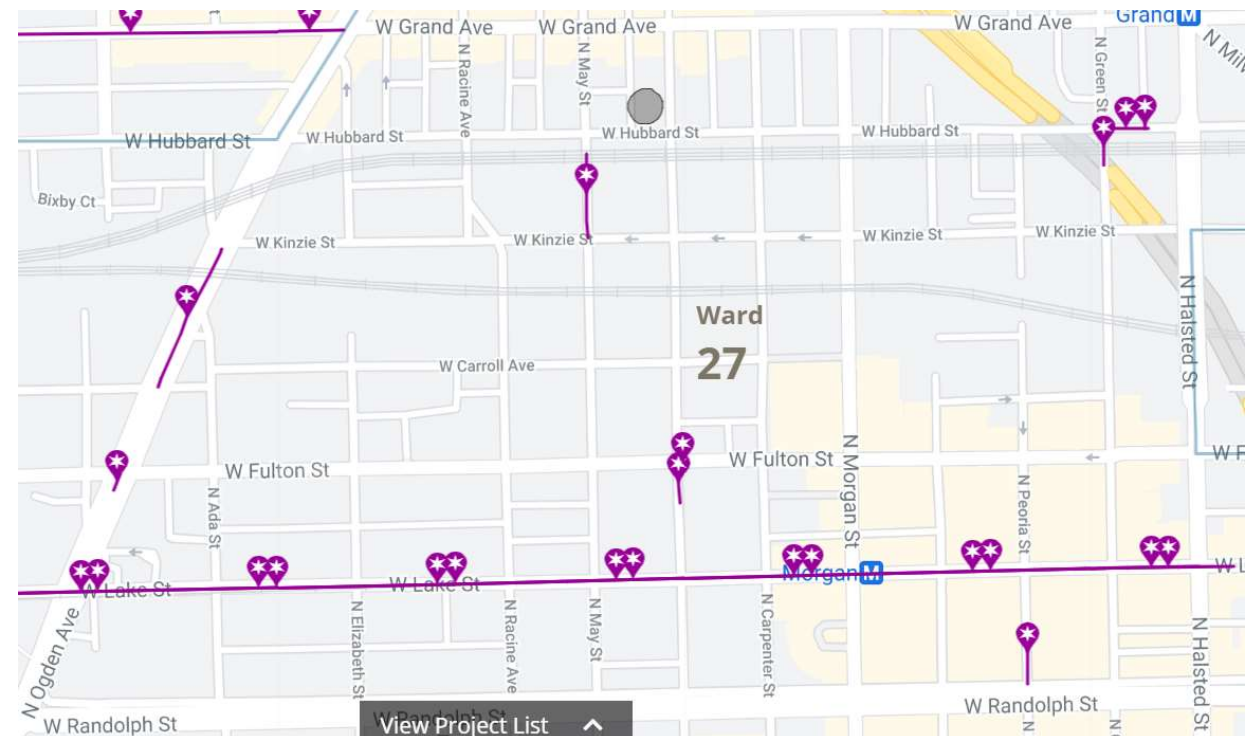
New light fixtures installed

- 24 completed between July 1, 2016 and present



Current active light fixtures replacement projects

- 17 active light fixture replacements



Protecting Historic and Cultural Assets



(Former) Schlitz Brewery Tied House
1393 West Lake Street



★ Ongoing Planning and Implementation Efforts

Specific to West Loop:

- West Loop Resource Guide webpage
- FMID Plan Update implementation
- Local Impact Fund coordination
- Fulton Market and Randolph P Street Designation
- Metra Station Feasibility Study - upcoming informational community meeting in mid-October

Other Initiatives:

- Central City Recovery Roadmap implementation
- Committee on Design, every second Wednesday of the month
- *We Will* citywide plan engagement



Next Steps and Questions?

**Please complete the survey, open till midnight October 10th
www.Chicago.gov/westloop**

- 1. DPD will synthesize today's comments and public survey responses.**
- 2. DPD will coordinate with Alderman Burnett, WLCO, WCA, and NOWL on the feedback gathered.**
- 3. Based on that feedback, priorities for LIF funding projects will be identified and implementation will begin.**



Any questions? DPD@CityofChicago.org

**Thank you and
please do the
survey!**

